

## Message Text

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ACTION STR-07

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10  
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00  
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02  
OMB-01 DOE-11 /117 W  
-----053487 271912Z /53

P 271827Z FEB 78  
FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 6519  
INFO AMEMBASSY VIENNA

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USMTN  
ACTION STR PASS ELECTRONICALLY

STR PASS CODEL

EO 11652: N/A  
TAGS: ETRD, GATT, MTN  
SUBJECT: DISCUSSION OF US MTN OFFERS WITH AUSTRIAN  
DELEGATION

REF: VIENNA 1298

1. US DEL (MOORE, SHELLEY, ST. MAXENS) HAS HELD TWO MEET-  
INGS (FEBUARY 13 AND 21, 1978) WITH AUSTRIAN DELEGATION  
(SEGALLA) TO CLARIFY US OFFERS ON TARIFFS, NTM'S AND  
AGRICULTURAL ITEMS AND TO DISCUSS TIMING OF AUSTRIAN  
OFFERS.

2. SEGALLA INFORMED US THAT WORK IN VIENNA ON AUSTRIAN  
OFFERS WAS PROCEEDING VERY SLOWLY AND HAD BEEN FURTHER  
SLOWED BY RECENT ILLNESS OF GATT AFFAIRS CHIEF WILLENPART.  
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HE WAS UNABLE TO PREDICT WHEN AUSTRIAN OFFER WOULD BE  
AVAILABLE IN GENEVA AND ACKNOWLEDGED THAT FOCUS OF  
AUSTRIAN CONCESSIONS PROBABLY WOULD BE AIMED AT BILATERAL  
BALANCE WITH US SINCE US IS PRINCIPAL NON-EASTERN EUROPEAN  
MFN SUPPLIER TO AUSTRIA. SEGALLA INDICATED THAT WORK  
WAS AT EARLY STAGE AND CONSIDERATION WAS STILL  
BEING GIVEN AS TO COEFFICIENT OF SWISS FORMULA WHICH BEST

SERVED AUSTRIA'S INTEREST. WE DISCUSSED US DEL ANALYSES OF VARIOUS FORMULA COEFFICIENTS AND RESULTING DEPTHS OF CUT ON AUSTRIAN IMPORTS. US DEL SUGGESTED GATT SECRETARIAT ASSISTANCE IN ANALYZING FORMULA COEFFICIENTS OR PERFORMING OTHER ANALYSES FOR AUSTRIA MIGHT ACCELERATE FORMULATION OF AUSTRIAN OFFER.

3. US DEL PRESENTED FOLLOWING DETAILS OF US TARIFF OFFER WHICH WE ARE REPEATING HERE PRIMARILY TO PROVIDE BACKGROUND TO AMEMBASSY VIENNA:

(A) US OFFER WEIGHTED BY 1976 IMPORTS FROM ALL MFN SUPPLIERS PROVIDES OVERALL REDUCTION OF 42 PERCENT WITH ROUNDING TO NEAREST TENTH OF PERCENTAGE POINT (46 PERCENT OVERALL CUT IF ROUNDED TO LOWER HALF-PERCENTAGE POINT).

(B) US OFFER WEIGHTED BY IMPORTS FROM AUSTRIA IS 44 PERCENT (2-3 PERCENTAGE POINTS HIGHER WITH LOWER HALF-POINT ROUNDING).

(C) COMPOSITION OF US OFFER WITH RESPECT TO IMPORTS FROM AUSTRIA IS AS FOLLOWS: FORMULA CUTS ON 464 ITEMS (110 MILLION DOLLARS 1976 IMPORTS FROM AUSTRIA); GREATER THAN FORMULA CUTS ON 348 ITEMS (58 MIL DOL); LESS THAN FORMULA CUTS ON 110 ITEMS (5 MIL DOL); ECONOMIC EXCEPTIONS ON 49 ITEMS (5 MIL DOL); MANDATORY EXCEPTIONS LIMITED OFFICIAL USE

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ON 22 ITEMS (13 MIL DOL); OFFER TO BE SPECIFIED LATER ON 18 ITEMS (5 MIL DOL).

(D) US DEL LEFT WITH SEGALLA LIST OF ALL US TARIFF LINES WITH 1976 IMPORTS FROM AUSTRIA GROUPED BY TYPE OF OFFER AND SHOWING US OFFER, MFN IMPORTS AND IMPORTS FROM AUSTRIA.

(E) US OFFER PRODUCES AVERAGE DUTY REDUCTIONS WEIGHTED BY IMPORTS FROM AUSTRIA IN FOLLOWING IMPORTANT PRODUCT SECTORS: RUBBER AND PLASTICS--75 PERCENT REDUCTION (14 MIL DOL 1976 IMPORTS FROM AUSTRIA); MACHINE TOOLS--56 PERCENT CUT (19 MIL DOL); SCIENTIFIC AND CONTROLLING EQUIPMENT--50 PERCENT (12 MIL DOL); MISCELLANEOUS MANUFACTURES--46 PERCENT (29 MIL DOL); TEXTILES--34 PERCENT (20 MIL DOL); AND STEEL--32 PERCENT (9 MIL DOL).

4. FYI (AMEMBASSY VIENNA): ANALYSIS AND DETAILS OF US OFFER ARE TO BE TREATED AS "GATT SECRET" AND ARE PROVIDED FOR USE IN DISCUSSIONS WITH OFFICIALS OF AUSTRIAN GOVERNMENT. THIS INFORMATION SHOULD NOT BE DISCUSSED WITH PRESS OR PRIVATE SECTOR CONTACTS. END FYI

5. US DEL CONVEYED AT BOTH MEETINGS US DESIRE TO ENGAGE  
IN SUBSTANTIVE NEGOTIATIONS AS SOON AS POSSIBLE. SEGALLA  
REPLIED THAT US OFFER WAS IMPRESSIVE VIS-A-VIS AUSTRIA AND  
COULD BE USEFUL IN OBTAINING QUICKER RESPONSE FROM VIENNA.  
US DEL INDICATED ITS AVAILABILITY AS NEEDED TO CLARIFY  
FURTHER US OFFERS OR REQUESTS.

6. DRAFTED BY MOORE. MCDONALD

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIPLOMATIC DISCUSSIONS, TARIFFS, ECONOMIC PROGRAMS  
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**Copy:** SINGLE  
**Draft Date:** 27 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978GENEVA03086  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Subject:** DISCUSSION OF US MTN OFFERS WITH AUSTRIAN DELEGATION  
**TAGS:** ETRD, AU, US, GATT, MTN  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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